

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER

☐

DATE

July 02, 2012

MOTOR CARRIER MATTER

☐

DOCKET NO.

2011-158-E

UTILITIES MATTER

☒

ORDER NO.

**SUBJECT:**

DOCKET NO. 2011-158-E - Application Regarding the Acquisition of Progress Energy, Incorporated by Duke Energy Corporation and Merger of Progress Energy Carolinas, Incorporated and Duke Energy Carolinas, LLC - Discuss this Matter with the Commission.

**COMMISSION ACTION:**

As part of the parties' presentation of evidence to this Commission at hearing on December 12, 2011, this Commission heard testimony concerning the merger of Duke Energy Corporation and Progress Energy, Incorporated. I move that this Commission find, based on the record before us, that there is an absence of harm to South Carolina ratepayers as a result of the proposed merger. Therefore, the Commission does not have to reach the question of whether such harm, if present, would have justified jurisdiction of this Commission over the merger to the extent necessary to address such harm to this state's ratepayers.

A main focus of the parties' testimony dealt with the proposed Joint Dispatch Agreement, or JDA. The Applicants persuasively argued that the joint dispatch process will allow Progress Energy Carolinas (PEC) and Duke Energy Carolinas (DEC) to serve their retail and wholesale native load customers more efficiently and economically than they can on a stand-alone basis. In addition, the commitments to South Carolina made by the Applicants provide assurance that approval of the JDA is in the public interest, such as:

- The "most favored nations" commitment made during the December 12, 2011 hearing, which guarantees to PEC's and DEC's retail customers pro rata benefits equivalent to those approved by the NCUC,
- a minimum of \$127 million, which is the allocable share of \$650 million in fuel-related cost savings over the first five years after close of the Merger (but with the understanding that they may be given 18 additional months under certain conditions),
- annual community support and charitable contributions of \$10.65 million over four years following the close of the merger, and
- a contribution in the amount of \$3.75 million in the first year to support workforce development and low income energy assistance.

After thorough consideration of the entire record, including the testimony and all exhibits, the applicable law, and the Stipulations, Agreements and commitments of the parties, the Commission finds that the JDA should be approved on a one (1) year trial basis effective with the closing of the Merger, as proposed by Duke Energy Carolinas, LLC, Progress Energy Carolinas, Inc., the Office of Regulatory Staff, Nucor Steel South Carolina, Central Electric Power Cooperative, and the South Carolina Electric Cooperatives. Following the one year period, PEC and DEC shall file such reports as are delineated in the final order in this case, and the matter shall be subject to such review as shall be deemed appropriate by this Commission.

PRESIDING: Howard

SESSION: Special

TIME: 11:30 a.m.

	MOTION	YES	NO	OTHER
FLEMING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HALL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HAMILTON	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
MITCHELL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WRIGHT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

(SEAL)



RECORDED BY: T. DeSanty